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SUBJECT: Migrant Labor and Rural Disputes in Guangdong:
Troubles Brewing for Party Secretary Zhang

REF: A) Guangzhou 13381 and previous, B) Guangzhou 3991,
-- C) 03 Guangzhou 17541

11. (SBU) Summary: Migrant labor and land issues headed the agenda of the recent visit by two human rights officers to Guangdong province. The trip was an excellent opportunity to probe some of Southern China's most sensitive issues: migrant laborer discrimination and corruption in land compensation deals. Many of these issues have tainted the success of Guangdong Party Secretary Zhang Dejiang and could create some political reshuffling. End Summary.

Migrant Labor and Land Compensation

12. (SBU) As part of a multi-city trip across China, Eric Richardson, Human Rights Officer from Embassy Beijing, and Andrew Dickson, Human Rights Officer from the China Desk, visited Guangdong Province, accompanied by Poloff. The group met (without a Foreign Affairs Office representative) with demography expert Professor Zheng Zizhen at the Guangdong Academy of Social Sciences, to discuss migrant labor in Guangdong province. Professor Zheng was optimistic about migrant laborer conditions in the Pearl River Delta. He stated that overall conditions have greatly improved since 2003 when a local Guangzhou resident was beaten to death at a shelter for migrants (ref C). Today, the Guangdong government is compelled to provide five basic measures for migrants: medical care, unemployment insurance, worker compensation, child birth support and old age pensions. Arranging education for their children still remains up to migrant workers. Although the policy is often dependent on funds available at the local level; on the provincial level, Guangdong province's rich coffers ought to provide China's best overall migrant labor support.

13. (SBU) Regarding land disputes, Zheng mentioned that Guangdong Party Secretary Zhang Dejiang has "desperately" sought to control land grab problems with an "iron fist." Zhang declared in December that all land repossession requires approval and that compensation must be full and on time (see septel on Zhang's recent speeches). In a subsequent meeting, a South China Morning Post reporter opined that Zhang may be on the way out because of his ineffective control over recent protests arising over land compensation (see ref B).

An Old Village Story: Development and Corruption

¶4. (SBU) In order to get a ground-view perspective on events, the group then visited a local Guangzhou village. The village is called "Shima", population 600. The consulate originally heard about the village through an on-line news report on Boxun.com (an overseas Chinese website based in the United States). According to the website, villagers were complaining in early February about village officials who sold village land without the permission of the entire village. Moreover, in order to prevent villagers from farming, officials hired thugs to destroy the land and make it unsuitable for growing peaches (the village is famous for its red peaches). According to the website, village officials used the profit from land selling to buy votes to win village elections.

¶5. (SBU) The village is on the edge of Guangzhou's modern development. An airport bypass highway has already cut across part of the land owned by the village and another 166 hectares (410 acres) has been lost to a man-made lake and electrical power station for Guangzhou city use. The roads leading up to the village are filled with trash villagers have dumped there. It is obvious urban sanitary services do not cover the area.

¶6. (SBU) Two brothers of the village's largest family (the Li clan with over 100 members) openly complained about corruption. The brothers explained that farmers have received no land compensation money, but instead township government officials spent the funds on a trip to Guangxi province. Most of their anger was directed at the village leader, who was observing the conservation from a distance. According to the brothers (confirming the website complaints), the village leader is also corrupt and had

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merely bought enough election votes to maintain power. The brothers had complained to the government, and even e-mailed one of Hong Kong's most liberal newspapers, the Apple Daily, about the issue (the paper did not reply), but the sale had gone through regardless of villager opposition.

¶7. (SBU) Besides corruption issues, villagers also face ecological problems. Pollution from a nearby garment factory seeps into a stream running through the village. The water is so heavily polluted that, for example, when some of the creek water was mixed with some nearby fish ponds, all of the fish died the next day. Before villagers used to drink from the creek, now they cannot even use it for irrigation. Poloffs mentioned the tremendous garbage piles around the village. Villagers agreed and blamed the situation on the village officials' laziness.

¶8. (SBU) In stark contrast to the other villagers, the village leader told us that he had no strong desire to preserve the land. Instead he said he was willing to sell the land and, when asked, claimed, for the right price, he would even consider allowing heavily polluting factories to be developed in the region.

Comment: NPC - Concern for Social Stability

¶9. (SBU) Discussions in early March during the National People's Congress highlight concerns among delegates between balancing demands for economic growth with reducing conditions for social unrest. These conditions include reducing the rural-urban income gap, allowing for some development in civil organizations, i.e., NGOs, albeit tightly controlled by the government (see the Consulate's series on NGOs, ref A), ensuring a minimum of care for migrant laborers, and ensuring that land compensation issues are handled fairly and in a timely fashion.

Comment Continued: Zhang, Losing his Grip?

¶10. (SBU) Despite these expressed concerns, the Party still

needs to maintain control with a minimum of fuss. Social reforms help ensure that people do not protest since some of their concerns will be addressed. In Guangdong, one of China's richest provinces, where growth is the most rapid and difference between haves and have-nots among the most pronounced, it is particularly important for there to be few, if any, disturbances. If Party Secretary Zhang is removed, it will not be because land was taken from peasants, but because he failed to maintain social stability and that failure was publicized.

¶11. (SBU) This message was coordinated with Embassy Beijing.

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